



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
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(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

February 23, 2010

To: All Department Heads

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to be "W. T. Fujioka", is written over the printed name and title.

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

TIMELY COLLECTION OF ACCOUNTS RECEIVABLE AND ADHERENCE TO COUNTYWIDE UNCLAIMED FUNDS PROCEDURES

Consistent with my November 5, 2009, memorandum regarding budget concerns and required management action, this is to request your continued focus on improving the timeliness of your respective department's collections of accounts receivable and the timely referral of delinquent accounts receivable to the Treasurer and Tax Collector (TTC) for collection. In addition, it is imperative that every department scrutinize its unclaimed funds balances, if any, to determine which can be referred to the TTC for transfer to the general fund.

ACCOUNTS RECEIVABLE

The Auditor-Controller's County Fiscal Manual (CFM), May 2009 Revision, Chapter 10-Accounts Receivable, Section 10.1.1 Definition, defines accounts receivable as amounts due to the County for services provided for which payment has not been received. The CFM Chapter 10 provides specific instructions to departments on the management of your accounts receivable. Your staff can find the CFM on the County's intranet website at <http://auditorweb.co.la.ca.us/FileDownload.aspx?FileID=10>.

Specifically:

- Accounts receivable should be properly recorded in eCAPS or, if not in eCAPS, in some other subsidiary ledger.
- Accounts receivable should be aged to identify those receivables outstanding for over 30, 60, and 90 days.

"To Enrich Lives Through Effective And Caring Service"

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- Departments should refer delinquent accounts receivable (i.e., accounts with an accumulated balance of \$50 or more; and which have been delinquent for a period of 60 days from the accrual date; and which the department has determined the responsible party; and that the department or its contracted agent has made a reasonable attempt to collect) to the TTC for collection. Departments should refer to the TTC all dishonored negotiable instruments (i.e., "Not Sufficient Funds" checks) regardless of amount that the department has made a reasonable attempt to collect.

To ensure each department's compliance with Chapter 10 of the CFM, I am requesting each department to send a schedule of your aged accounts receivable, on a monthly basis, to the TTC. Until further notice, you should send this information (Attachment A) by the last business day of each month, for the period ending the last business day of the prior month. Consistent with its responsibilities under the County Code, I have asked the TTC to consolidate this information into a single report to my Office. The Chief Executive Office (CEO) staff will follow up with those departments that do not comply with this reporting requirement.

UNCLAIMED FUNDS

Unclaimed funds consist of funds that are not the property of Los Angeles County, are not covered by a special legal restriction, and remain unclaimed for three or more years. Several years ago, the Auditor-Controller and the TTC developed countywide procedures for the disposition of unclaimed funds. These procedures were subsequently included in the Auditor-Controller's CFM, Section 2.6.0. Examples of unclaimed funds include, but are not limited to:

- Funds which a health or public safety department is safekeeping on behalf of a client and the department is unable to return the funds to the client for various reasons (e.g., the department is unable to locate the client or the client abandoned the funds, etc.).
- A refundable security deposit, which a department is safekeeping and the department is unable to return the security deposit because the depositor cannot be located.
- A payment made to a department, which the department is unable to apply due to insufficient information.

The Treasurer and Tax Collector has informed me that department compliance with these procedures has been minimal. In fact, since the Auditor-Controller and the TTC

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jointly distributed procedures to all County departments in September 2005, only five departments made referrals of unclaimed funds to the TTC in accordance with the procedures.

Departments cannot hold unclaimed funds past statutory requirements. Accordingly, effective immediately, I am requesting each department to send a schedule on a monthly basis of any unclaimed funds it is holding by fiscal year, in which the funds first became unclaimed to the TTC. Until further notice, you should send this information (Attachment B) by the last business day of each month, for the period ending the last business day of the prior month. Consistent with its responsibilities under the County Code, I have asked the TTC to consolidate this information in a single report to my Office.

If you have any concerns regarding your department's ability to comply with this request, please discuss this with your respective Deputy Chief Executive Officer, or your staff may discuss this with your CEO budget analyst. If you have any questions regarding the referral of delinquent accounts to the TTC, you or your staff may contact Donna Doss, Assistant Treasurer and Tax Collector at (213) 974-2077 or at ddoss@ttc.lacounty.gov . If you have any questions regarding unclaimed funds procedures, you or your staff should contact Elizabeth Ginsberg, Operations Chief, TTC at (213) 974-3385 or eginsberg@ttc.lacounty.gov .

WTF:ES:MJS
GS:JY:cg

Attachments

c: Auditor-Controller
Treasurer and Tax Collector

Department Name: Department 1
Period: 12/31/2009

ATTACHMENT A

ACCOUNTS RECEIVABLE AGING SCHEDULE									
As of November 30, 2009									
Description of Receivables	# of Accounts	Current Charges	# of Accounts	0-30 Days Past Due	# of Accounts	31-60 Days Past Due	# of Accounts	61-90 Days Past Due	Total Accounts Receivable
A/R (Type of Accounts)	100	\$ 50,000	15	\$ 10,000	10	\$ 30,000	7	\$ 20,000	142 \$ 150,042
A/R (Type of Accounts)	3	\$ 75,000	10	\$ 125,000	5	\$ 50,000	12	\$ 25,000	47 \$ 325,044
A/R (Type of Accounts)	150	\$ 60,000	300	\$ 157,500	100	\$ 105,000	30	\$ 52,500	25 \$ 35,000
A/R (Type of Accounts)	253	\$ 185,000	325	\$ 292,500	115	\$ 185,000	49	\$ 97,500	52 \$ 125,000
Total									794 \$ 885,541

COLLECTIONS OF ACCOUNTS RECEIVABLE									
December 2009									
Description of Receivables	# of Accounts	Current Charges	# of Accounts	0-30 Days Past Due	# of Accounts	31-60 Days Past Due	# of Accounts	61-90 Days Past Due	Total Accounts Receivable
A/R (Type of Accounts)	10	\$ 5,000	1	\$ 500	2	\$ 9,000	1	\$ 4,000	14 \$ 18,504
A/R (Type of Accounts)	1	\$ 7,500	2	\$ 6,000	1	\$ 15,000	2	\$ 5,000	6 \$ 33,505
A/R (Type of Accounts)	15	\$ 6,000	10	\$ 8,000	5	\$ 31,500	2	\$ 10,500	32 \$ 56,017
A/R (Type of Accounts)	26	\$ 18,500	13	\$ 14,500	8	\$ 55,500	5	\$ 19,500	- \$ -
Total									52 \$ 108,026

A/R Ending Balance \$ 166,500 \$ 278,000 \$ 129,500 \$ 78,000 \$ 125,000 \$ 777,515

REFERRAL OF DELINQUENT ACCOUNTS RECEIVABLE TO TTC									
Description of Receivables	# of Accounts	Current Charges	# of Accounts	0-30 Days Past Due	# of Accounts	31-60 Days Past Due	# of Accounts	61-90 Days Past Due	Total Accounts Receivable
A/R (Type of Accounts)	-	\$ -	-	\$ -	-	\$ -	2	\$ 16,000	5 \$ 40,000
A/R (Type of Accounts)	-	\$ -	-	\$ -	-	\$ -	3	\$ 20,000	4 \$ 50,000
A/R (Type of Accounts)	-	\$ -	-	\$ -	-	\$ -	4	\$ 42,000	3 \$ 35,000
A/R (Type of Accounts)	-	\$ -	-	\$ -	-	\$ -	9	\$ 78,000	12 \$ 125,000
Total									21 \$ 203,021

Note: If applicable, provide an explanation as to why all receivables over 60 days have not been referred to the Treasurer and Tax Collector.

ATTACHMENT B

Department Name:

Department 1

Period:

12/31/2009

UNCLAIMED FUNDS TO TTC As of December 31, 2009			
Description of Unclaimed Funds	Fiscal Year (Date of Deposit)	# of Accounts	Amount
Unclaimed Funds (Type of Accounts)	2000-2001	10	\$ 50,000
Unclaimed Funds (Type of Accounts)	2001-2002	100	\$ 75,000
Unclaimed Funds (Type of Accounts)	2002-2003	50	\$ 60,000
Total		160	\$ 185,000

Note: If applicable, provide an explanation as to why unclaimed funds held past statutory requirements have not been referred to the Treasurer and Tax Collector.